GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:635
ANSWERED ON:21.11.2002
EXCISE DUTY ON PETROL AND DIESEL
CHANDRA BHUSHAN SINGH

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether to check the impact of the upsuring in international prices on oil, the excise duty on petrol and diesel be scaled down by about 2 percent; and

(b) if so, the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS
PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): With the dismantling of the Administered Pricing Mechanism in the petroleum sector effective 1st April 2002, the fluctuations in the international oil market are bound to get reflected in the domestic consumer prices of petrol and diesel.

With a view to check the impact of the excessive price volatilities in the international market on domestic prices, the Government had w.e.f. 4.6.2002 reduced the excise duties on petrol and diesel by 2% each. As the prices of oil in the international oil market have softened recently, at present, there no proposal under consideration of the Government to further reduce the excise duties on petrol and diesel.